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# Review of UNICEF experience in high-income countries and in countries transitioning from upper-middle-income to high-income status

*Summary*

This paper is submitted pursuant to UNICEF Executive Board decision 2015/3 requesting that UNICEF undertake a review of its experience in high-income countries and in countries transitioning from upper-middle-income to high-income status, as part of the midterm review of the Strategic Plan, 2014-2017. The review recognizes that inequities among children exist in all countries, and emphasizes the value added by UNICEF in a variety of contexts working through different operational modalities, based on the universality principle inherent in the Convention on the Rights of the Child and the universal focus of the 2030 Agenda for Sustainable Development. The review concludes that Governments recognize and appreciate the UNICEF partnership to improve the well-being of children in high-income countries, and that such recognition helps to generate funds that exceed the cost of UNICEF programming and advocacy in those countries.

A draft decision is included in section IX.

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# I. Introduction

1. The 2030 Agenda for Sustainable Development (A/RES/70/1), emphasizes that the Member States of the United Nations "wish to see the Goals and targets met for all nations and peoples and for all segments of society" while also endeavouring "to reach the furthest behind first". The UNICEF Executive Board has periodically considered how UNICEF can best contribute to results for children in different country contexts, including in upper-middle-income countries (UMICs) and high-income countries (HICs). This emphasis on universality builds on concepts described in international legal instruments such as the Universal Declaration of Human Rights and the Convention on the Rights of the Child. Consistent with these declarations and conventions, UNICEF supports the realization of the rights of all children, everywhere, especially the most disadvantaged.

2. The Executive Board first approved a "modified system for allocation of general resources [later termed "regular resources (RR)] for programmes" in its decision 1997/18.[1] In 2008, the Executive Board revisited this decision based on lessons learned and trends in the global economic landscape and approved: the continuation of UNICEF country programmes in UMICs until they reach high-income status and maintain such status for two consecutive years thereafter; an increase in the minimum annual allocation of RR to $750,000 for single country programmes, including UMICs[2] (later raised to $850,000 in 2013);[3] reaffirmed its determination to continue to give the highest priority to the needs of children in the low-income countries (LDCs and sub-Saharan Africa); and special arrangements for multi-country programmes. In 2008, through its adoption of decision 2008/15, the Executive Board also noted the global mandate of UNICEF with respect to, inter alia, the Millennium Declaration, the Millennium Development Goals, the Convention on the Rights of the Child and UNICEF contributions to results for children in HICs.[4]

3. In February 2015, the Executive Board considered the work of UNICEF in those HICs that had recently transitioned from upper-middle-income status. In Executive Board document E/ICEF/2015/P/L.6, UNICEF noted that children's rights are universal, that inequities persist in all countries, and that all countries in the world have something to learn from others, including as related to innovations and solutions in education, health and protection. As requested in paragraph 6 of Executive Board decision 2015/3, this paper reviews and analyses UNICEF experience in HICs and in MICs transitioning to high-income status, hereafter referred to as UMICS. Evidence was drawn from a literature review as well as from interviews with Executive Board members, Resident Coordinators, and staff from UNICEF, the National Committees for UNICEF and other United Nations funds and programmes.

[1] See Executive Board document E/ICEF/1997/12/Rev.1.
[2] Executive Board decision 2008/15, document E/ICEF/2008/20.
[3] Executive Board decision 2013/20, document E/ICEF/2013/AB/L.4.
[4] See Executive Board document E/ICEF/2008/20.

## II. Findings

4. In 1989, well over half of the world's population lived in low-income countries (LICs), which are categorized by the World Bank based on gross national income (GNI) per capita. By the end of the Millennium Development Goal period in 2015, economic growth in many countries had led to both a decline in the number of LICs (from 49 to 31) and an increase in the number of HICs (from 41 to 90). In 1990, virtually all (close to 94 per cent) of the world's extreme poor lived in LICs. By 2008, about 74 per cent of the world's extreme poor were living in MICs.[5]

5. Countries have been grouped into five categories for analysis, taking into account GNI per capita as well as the organizational approach used by UNICEF to support the achievement of results for children.

(a) High-income countries with a National Committee for UNICEF;

(b) High-income countries with a UNICEF country office and a UNICEF country programme;

(c) High-income countries that are part of a UNICEF multi-country programme;

(d) High-income countries that do not have a National Committee for UNICEF or a UNICEF country programme; and

(e) Upper-middle-income countries that may transition to high-income status in the coming years.

6. The paper outlines the range and diversity of countries included in each category, the relevance of UNICEF for children, the experiences of and options for financial sustainability, and the organizational approaches being used by UNICEF and the broader United Nations development system.

7. This paper differentiates countries by GNI per capita, which roughly correlates with several human development indicators, as well as with the potential for a country to mobilize domestic resources to address its development needs.

8. At the same time, there are notable limitations to GNI per capita as a measure of development. Most importantly, deprivations and inequalities often persist even as average GNI per capita increases. In addition, while many countries have "graduated" through one or even two income per capita categories over the past 25 years, these transitions have not always been upwards. This phenomenon is also consistent with the experience of many individual families who manage to move above the poverty line but subsequently slip back due to loss of employment, major illness or other factors. Other limitations of GNI per capita include statistical challenges (as reflected when gross domestic product estimates are "rebased", causing sudden changes in estimations of GNI per capita) and the use of outdated economic data. Sustainable Development Goal target 17.19 explicitly calls upon the global community to "build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product".

[5] Fantom, N. and U. Serajuddin, "The World Bank's Classification of Countries by Income", *Policy Research Working Paper* 7528, Development Economics Data Group, World Bank, January 2016.

# III. High-income countries with a National Committee for UNICEF

9. Of the 34 National Committees for UNICEF, 33 are located in currently HICs and 1 (the Turkish National Committee for UNICEF) is located in an UMIC. Because Turkey also has a UNICEF country office and a country programme document (CPD), the National Committee there plays a slightly different role than in other countries, as described in the section on UMICs that may transition to high-income status below.

10. National Committees are legally independent non-governmental organizations created for the purposes of advancing children's rights and well-being globally through resource mobilization, advocacy and other activities in their respective territories, thereby advancing the mission of UNICEF. They operate in accordance with a Cooperation Agreement, which is signed by each National Committee and UNICEF. The relationship between UNICEF and the National Committees is facilitated through and coordinated by the UNICEF Private Fundraising and Partnerships Division.

11. The first UNICEF National Committees were established in Yugoslavia (1946), the United States of America (1947) and Belgium (1947), with others following during the 1950s and 1960s in other parts of Europe, as well as in Australia, Canada, Japan and New Zealand. More recent National Committees include those in the Republic of Korea and Iceland, respectively established in 1994 and 2004. Countries with successful and enduring National Committees have, for the most part, benefited from high levels of GNI per capita over the long term. The Republic of Korea is unusual in its rapid transition from aid recipient in the 1950s to a country with a successful National Committee in the 1990s.

**Relevance for children**

12. Advocacy is fundamental to achieving policies that can deliver lasting, large-scale social change for the realization of children's rights. The child rights mandate of UNICEF gives the organization a role in promoting and upholding child rights globally, including in countries with a National Committee presence.

13. National Committees have long advocated for children's rights, in addition to raising funds for the work of UNICEF on behalf of children. Early advocacy efforts included the response to conflict in Bangladesh in 1972 and to severe drought in Ethiopia in 1984. From the mid-1980s onwards, most National Committees also began building public support for official development assistance directed towards children.

14. In the 1980s, National Committees began contributing to children through domestic "education for development" or "child rights education" initiatives, sensitizing the public within HICs on the development challenges faced by children in lower-income countries. Focusing on issues such as child survival and children living or working on the streets fostered greater public understanding and solidarity for children in lower-income countries and, at the same time, increased UNICEF outreach and effectiveness for fundraising.

15. From 1989 onwards, advocacy and public-education efforts also began to include attention to domestic issues, in particular to mobilize government and public

support for the Convention on the Rights of the Child. Over the past three decades, most National Committees have become prominent and effective advocates in their countries for child rights, with attention paid to both development assistance and domestic child-oriented policies.

16. Of the 34 National Committees currently operating:

(a) 96 per cent advocate on domestic public policy for children;

(b) 86 per cent advocate on global policy issues; and

(c) 86 per cent influence government policy and action through platform initiatives such as Baby Friendly Hospitals and Child Friendly Cities.

17. In response to a recent survey conducted by UNICEF, almost all National Committees reported at least one significant recent advocacy achievement related to government policy and resource allocation. Across HICs where they operate, 54 child-related laws have been developed or adopted due in part to the advocacy work of the National Committees in recent years. Examples include laws related to family relationships, education, international cooperation, citizenship, child welfare, corporal punishment, child trafficking, child witnesses in courts, cyberbullying and the establishment of ombudspersons for children. National Committees have also contributed to regulations for children, and to issues including breastfeeding, foster care, temporary hospitality for children coming from abroad, trafficked and unaccompanied asylum-seeking children and minimum guaranteed incomes.

18. Like other parts of the UNICEF family, the National Committees are also beginning to increase their engagement with the for-profit private sector, not just as resource contributors but also as actors that directly influence outcomes for children, domestically and globally. Of the 34 National Committees, 39 per cent report that they now influence the private sector to act and advocate on domestic child rights issues while 36 per cent state that they engage the private sector on global child rights issues.

19. National Committees sometimes work together with UNICEF offices on specific initiatives or programmes related to children in HICs. For example, National Committees play a key role in shaping the content of the periodic UNICEF Office of Research-Innocenti *Report Card* series on the status of children in HICs. Examples of UNICEF programmatic collaboration with the National Committees include support to the response by the Government of Italy to the 2009 earthquake in L'Aquila and support in responding to the 2011 tsunami in Japan.

20. Such programme and policy collaboration between the National Committees and other parts of UNICEF are increasing in frequency and scale. For example, in 2014-2015, a United Kingdom Committee for UNICEF campaign carried out major public mobilization campaigns against child labour in the United Kingdom of Great Britain and Northern Ireland. In 2013, the Government of the Netherlands, the Dutch National Committee and UNICEF collaborated with the governments of Aruba, Curaçao and Sint Maarten in assessing the situation of children and identifying priority policy responses.

21. Over the course of 2015 and 2016, UNICEF and relevant National Committees have worked with the Governments of Austria, Germany, Greece, Hungary, Italy and Slovenia to assess needs and design responses to the increasing number of refugee children in Europe. The UNICEF Regional Office for Central and Eastern

Europe and the Commonwealth of Independent States has established an emergency response capacity, including staff who provide liaison and technical support to the affected countries. This support is being closely coordinated with other United Nations agencies, notably the United Nations High Commissioner for Human Rights (UNHCR) and the International Organization for Migration (IOM). "One UNICEF" responses are being implemented in each of the relevant countries to integrate the capacities and skills of both the relevant National Committee and of UNICEF itself.

**Financial sustainability**

22. In 2015, the 33 National Committees located in HICs contributed a total of $439 million to UNICEF regular resources (RR), or 42 per cent of the total amount of fully flexible funding received by UNICEF. They also contributed $648 million in other resources (OR), or 17 per cent of the total amount of restricted funding received by UNICEF.

23. Beyond fundraising, National Committees also contribute to the work of UNICEF for children through advocacy, child rights education and partnership initiatives.

24. One of several criteria for supporting the establishment and continuing operation of the National Committees has been their ability to fundraise from private donors. In cases where fundraising has not proved to be viable, National Committees have been closed, including in Bulgaria, Estonia, Latvia and Romania. The Committees sign a Cooperation Agreement with UNICEF in which they are encouraged to maximize their net financial contribution to UNICEF and to minimize the percentage of gross revenue used for administrative costs.

25. Partnerships between the National Committees and UNICEF for programme and policy work in some HICs, as in the Dutch Caribbean or with countries for the response to the European refugee and migrant crisis, have been largely financed from domestic resources in the countries concerned. This includes funding from the relevant Government, National Committee or, in the case of the current refugee and migrant crisis in Europe, from donors contributing specifically for this purpose.

**United Nations development system**

26. In most cases, UNICEF is the only United Nations agency that has maintained regular engagement with HICs that have maintained high-income status over several decades, through its National Committees. Specialized agencies of the United Nations system (such as the Food and Agriculture Organization of the United Nations, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization) maintain engagement as international normative entities, but do not have a permanent country presence. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) has established some nascent National Committees for UN-Women. The United Nations High Commissioner for Refugees has Designated Representatives and country offices in France, Spain and the United Kingdom, in addition to Regional Offices for Central, Northern and Southern Europe, for the Americas, and for Australia and New Zealand. Since 2015, UNHCR and IOM have provided support to several countries in Europe to help them deal with the refugee and migrant crisis; UNHCR has also established a National Committee in Spain.

**UNICEF organizational approaches**

27. Efforts to establish new National Committees as other countries have approached or transitioned into high-income status have been uneven. The UNICEF National Committees in Iceland and the Republic of Korea have been successful. With the closure of their National Committees, UNICEF currently does not have a presence in Estonia and Latvia.

28. UNICEF has now set out clear criteria for the establishment of new National Committees, including requirements for prospective financial growth, and an appropriate governance and legal framework for civil society organizations with significant fundraising operations for international causes.

29. UNICEF and the National Committees are partners, uniting for universal rights and results for all children everywhere, especially for the most disadvantaged. To contribute to results for children in HICs where they operate, the National Committees continue to invest in child rights education, policy advocacy and social mobilization for child rights, within the parameters established in their Cooperation Agreements with UNICEF. With an increasing focus on the universal nature of the Sustainable Development Goals, the role of the National Committees will continue to evolve, intensifying attention to reporting on the Goals in HICs, to the achievement of results for the most disadvantaged children, and to the role of HICs in global dynamics such as climate change.

## IV. High-income countries with a country office and a UNICEF country programme document

30. This group of countries includes Argentina, Chile, Croatia, Equatorial Guinea, Oman, Uruguay and the Bolivarian Republic of Venezuela. At the request of their Governments, all of these countries have Executive Board-approved CPDs and UNICEF country offices. All seven countries receive an allocation of UNICEF RR, through programme budgets and/or institutional budgets. In all of these countries, UNICEF has maintained a programming presence as they have transitioned from upper-middle-income to high-income status.

**Relevance for children**

31. The needs of children in these countries and the relevance of UNICEF work has been described in detail in Executive Board document E/ICEF/2015/P/L.6, which focused on countries transitioning from middle- to high-income status.

32. Each of these countries has requested UNICEF to maintain a presence and a programme in order to help them maintain or accelerate progress for their most vulnerable and marginalized children, who have not universally benefited from overall national progress. As with many UMICs, UNICEF works in these new HICs to understand which children are thriving, which are being left behind, and why. In addition to supporting knowledge generation, UNICEF country offices in HICs provide technical assistance to influence national policies, strengthen child rights monitoring systems, foster innovation in areas such as adolescent health and well-being, leverage resources for children in the country and act as an independent voice for children. UNICEF also provides focused support to service-delivery for disadvantaged children — demonstrating how policies, new services and

innovations can be put into practice, budgeted and scaled up nationwide. UNICEF works with local government, private sector, civil society and academic actors to facilitate the international transfer of technical expertise and good practices through South-South and horizontal cooperation.

33. Equatorial Guinea is an example of a country with a national GNI per capita above the HIC threshold yet still categorized as an LDC and still facing development challenges for children. Given this context, UNICEF continues to provide programme cooperation similar to that provided in other LDCs in the areas of health, nutrition, water, sanitation and hygiene, education and child protection, much as it did before the country's transition to high-income status.

34. Argentina, Chile, Croatia, Oman and Uruguay are examples of countries that have progressed significantly, both with respect to their economies and their social indicators, but where some challenges remain for disadvantaged children. UNICEF programmes in all these countries tend to include a strong focus on data, research and other evidence to identify the most disadvantaged children and the barriers and bottlenecks to their progress; modelling of what works for children; use of that evidence and the voices of children themselves in advocating for children in policy, legislative and other forums; identifying and fostering innovative solutions, including to emerging issues such as mental health for children; South-South and horizontal cooperation to benefit from, and contribute to, the work for children in other similar countries; and helping the countries to face the challenges of the Sustainable Development Goals and the Governments to implement the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of Persons with Disabilities.

**Financial sustainability**

35. The Governments of these countries contributed a total of $5.4 million in RR in 2015. Private sector donors in these countries contributed more than $39.4 million to UNICEF, including $8.8 million in RR. Expenditure on private sector fundraising by UNICEF country offices in these seven HICs was on average 22 per cent of private sector revenue. In-country fundraising by UNICEF is closely linked to public advocacy, which leverages, and is leveraged by, public fundraising campaigns, especially those based on a large base of monthly ("pledge") donors. The new CPDs for Argentina and Uruguay, approved by the Executive Board in February 2016, foresee a continuation of this joint programming/fundraising model.

36. In Argentina, Chile, Croatia, Equatorial Guinea, Oman and Uruguay, contributions to UNICEF from the relevant Government and/or private sources now equal or exceed the UNICEF investment of RR in the country programme. That threshold was passed most recently by Equatorial Guinea, whose Government rapidly increased its resource contribution to UNICEF from 2014 to 2015. The length of time after achieving HIC status that is required to reach the point where fundraising equals or exceeds programme expenditure varies, with key factors including the track record of fundraising while the country was still an UMIC and the size of the middle-class fundraising market. The benchmarks described in Executive Board document E/ICEF/2015/P/L.6 appear to be appropriate and realistic, with a target of raising funds from public and/or private sources that at least equal programme expenditure within five years of becoming a HIC.

37. The country programmes for Croatia, Equatorial Guinea and Oman were developed and approved prior to the February 2015 Executive Board decision (2015/3),[6] and they each have somewhat different models. For example, programme work in Croatia, which focuses on policy advice, leveraging partnerships and modelling inclusive services to reach disadvantaged children, is funded exclusively by locally raised OR. UNICEF uses RR to cover some institutional budget costs in Croatia but it does not currently allocate RR to the country programme.

38. As noted above, over the past two years, the Government of Equatorial Guinea has rapidly increased its contributions to UNICEF, from $20,148 in 2014 to $2,440,094 in 2015. The Government is also increasing its involvement in related initiatives, such as UNITLIFE, which is designed to channel income from national resources to address the nutritional needs of children. Given the country's unusual combination of a small population size, a resource-dependent economy and significant challenges for a high proportion of children, the country may not be as viable a market for private fundraising as most other HICs and transitioning countries.

39. Oman has also requested a continued presence by UNICEF, with domestic UNICEF work funded principally by the Government rather than from private sector fundraising. The situation in Oman is similar to that of Equatorial Guinea insofar as the Government provides funding to cover UNICEF programme costs under the CPD.

40. In Argentina, Chile and Uruguay, locally raised flexible funding from private and public sources is channelled to the global pool of RR for UNICEF. In turn, each country programme receives an allocation of $850,000 per annum from that same pool of RR. These countries also contribute to OR, which generates cost-recovery income in addition to supporting specific, designated activities.

**United Nations development system**

41. United Nations agencies have adopted a variety of approaches to their presence in HICs following their graduation from upper-middle-income to high-income status. As noted elsewhere in this paper, some larger agencies have, like UNICEF, retained their offices and country programmes (e.g. the United Nations Development Programme (UNDP) in Argentina and Uruguay), while at the same time increasing their roles as implementers of host government funding (what is called the "net contributing country" model for UNDP). In other cases, some smaller United Nations agencies have gradually reduced their presence over the years prior to the transition to high-income status, opting either for coverage from area or regional offices (similar to the UNICEF multi-country programme approach, described below), or have opted for having one or two programme staff placed within a UNDP country office. In other cases, agencies have shifted from a programme office to a liaison office presence, but operate without a programme of cooperation, as is the case of UNDP in the Russian Federation. As is apparent from the above discussion, the United Nations country teams operate in a variety of models.

[6] See Executive Board document E/ICEF/2015/P/L.6.

**UNICEF organizational approaches**

42. As noted above, for all of the countries in this group, the Executive Board has endorsed the continuation of a UNICEF country office presence and a country programme. In all seven countries, UNICEF is continuing programme work for disadvantaged children within the country, fostering South-South and horizontal cooperation, and simultaneously raising funds for domestic, regional and global needs.

## V. High-income countries that are part of a UNICEF multi-country programme

43. UNICEF currently has two multi-country programmes that include a mixture of MICs and HICs. The HICs that are covered by the Eastern Caribbean multi-country programme include Antigua and Barbuda, Barbados, Saint Kitts and Nevis, and Trinidad and Tobago. Cook Islands, a non-member State in free association with New Zealand, is a HIC that is included in the Pacific Islands multi-country programme.

44. UNICEF also has a subregional programme in the Gulf that is exclusively made up of HICs, including Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates.

**Relevance for children**

45. Both the Eastern Caribbean and Pacific Islands multi-country programmes work in small island developing States (SIDS). The Third International Conference on Small Island Developing States in 2014 agreed on an outcome document known as the Samoa Pathway (SIDS Accelerated Modalities of Action), which notes that such countries present a "special case for sustainable development in view of their unique and particular vulnerabilities" and, while recognizing the importance of national ownership and leadership, stresses that "in the absence of international cooperation, success will remain difficult". The Samoa Pathway outlines the importance of focusing on the sectoral outcome areas of UNICEF, including health, nutrition, education, water, sanitation and hygiene, and social protection. The Samoa Pathway also highlights the importance of international cooperation on key cross-cutting issues for children, including the collection and use of disaggregated data, gender equality and girls' empowerment, disaster risk reduction and mitigation of climate-change risk.

46. In the Eastern Caribbean and the Pacific subregions, UNICEF responds to the Samoa Pathway by supporting Governments and other partners to identify and respond to the needs of the most disadvantaged children. For example, in 2015, UNICEF supported five countries and the British Overseas Territories in the Eastern Caribbean to conduct equity-focused and risk-informed situation analyses to draw attention to those children who were most in need and at risk. Capacity-building priorities include support to public finance analysis to identify domestic resources that can be more effectively focused towards vulnerable children, and significant efforts in child protection, including in the justice system. Working with other United Nations agencies, UNICEF is also supporting countries and territories in the Eastern Caribbean to strengthen their social protection programmes. In both the

Eastern Caribbean and Pacific subregions, disaster risk reduction and disaster response remain important priorities, as the frequency and severity of weather-related disasters increase in response to climate change. In the Pacific, UNICEF is also making significant contributions to strengthening birth registration using a mobile approach to vital statistics; to HIV prevention and treatment in the first and second decades of life; and to enhancing immunization programmes.

47. Although the five countries under the Gulf Area subregional programme benefit from relatively high GNI per capita, they continue to address specific forms of deprivation among children and the challenges of translating economic growth into human development outcomes. Current UNICEF programme initiatives focus on strengthening child-related data collection and analysis, addressing HIV prevention among high-risk adolescents and certifying hospitals as baby-friendly.

**Financial sustainability**

48. The multi-country programmes in the Eastern Caribbean and the Pacific both receive RR for programme support, as approved by the Executive Board. These resources are overwhelmingly focused on the lower-middle-income countries (LMICS) rather than the HICs, but specific data, policy dialogue and advocacy, and partnership work is carried out across all the countries and territories. Fundraising in the small island HICs has proven difficult, given their small market sizes of private donors and Governments with public debt. Nevertheless, it is notable that the Government of Barbados contributed $185,000 to UNICEF RR in 2015. Across both multi-country programmes, costs are reduced by having one central office and one Representative, with technical support visits made on a regular basis, and monitoring of child rights carried out across all the countries and territories in the programme.

49. In the Gulf, UNICEF resource mobilization focuses on four, mutually reinforcing audiences: Government, foundations, high net worth donors and corporations. In 2015, a total of $135.4 million was secured ($2.17 million RR, $51.77 million OR, and $81.47 million OR (emergency)). In 2015, the Gulf Area Office established significant new foundation relationships and expanded partnerships with corporations. As a result, more than $21 million was raised from the private sector.

**United Nations development system**

50. There is no uniform approach to multi-country programmes across the United Nations development system. Some other United Nations entities have their own multi-country arrangements in all three subregions, with variations on which countries and territories are excluded or included. For example, in the Caribbean, other United Nations system multi-country programmes variably include the same countries and territories as the UNICEF Eastern Caribbean multi-country programme, or add some combination of Belize, Jamaica, Guyana and Suriname. The United Nations Development Programme has a separate Resident Coordinator in Trinidad and Tobago. Significant progress has been made recently, with all agencies active in the subregion working together with all of the countries and territories on a multi-country sustainable development framework that includes a common results framework. Other multi-country programmes and country programmes that fit within the wider subregion are now aligning their results frameworks accordingly. Further progress is required to rationalize coordination

arrangements, however. For example, the UNICEF Representatives for both the Eastern Caribbean and the Pacific are still required to participate in multiple United Nations coordination teams that cover different sets of countries and territories.

51. Rather than establishing multi-country programmes, some other United Nations entities cover countries and territories in the subregions through regional "non-resident" arrangements, where a regional office provides long-distance policy and technical support without having any kind of country presence. While this appears to be successful in terms of high-level advocacy, it is not a model that would leverage the UNICEF commitment to combining policy work with on-the-ground experience, mobilizing the public and partnering with the private sector. The ongoing presence of UNICEF in one or more of the countries and territories in each subregion also allows for a consistent dialogue with counterparts, thus maintaining advocacy for children's rights.

**UNICEF organizational approaches**

52. As noted above, UNICEF currently has multi-country programmes that include HICs in the Eastern Caribbean, the Gulf Area subregional programme and the Pacific. The Eastern Caribbean Area Office, based in Barbados, includes all relevant countries and territories in one multi-country programme. UNICEF staff are sometimes posted outside Barbados, particularly to the countries and territories with lower GNI per capita that require more intensive programming. Similarly, the Pacific Area Office in Fiji covers all relevant countries and territories, and occasionally makes use of outposted staff. In the Gulf, UNICEF has an area office in Saudi Arabia, with additional staff in the United Arab Emirates. In all cases, costs are minimized by sharing UNICEF policy advocacy and technical cooperation among several countries and territories.

53. In the future, including countries that have recently transitioned to high-income status in new multi-country programmes may be a reasonable option for some countries with a small population size that do not have significant in-country fundraising potential, and that are geographically co-located in a way that makes coverage from a central UNICEF office cost-efficient. For example, some other United Nations development system actors include Comoros, Mauritius and Seychelles in their multi-country programmes.

## VI. High-income countries that do not have a National Committee for UNICEF or a UNICEF country programme

54. Several HICs, usually those with a relatively small population size, have never had a UNICEF country programme or a National Committee presence. Examples of such countries include Malta and Monaco.

55. Based on previous Executive Board directives, there are also a number of HICs where UNICEF ceased programme operations following the transition from upper-middle-income to high-income status, either without supporting the establishment of a National Committee or with a transition to a National Committee that did not prove to be financially sustainable. In all cases, the possibility of future cooperation is not foreclosed.

56. Today, UNICEF seeks financial support from the Governments of these countries and engages in a limited amount of related policy analysis and facilitation of partnerships or horizontal cooperation. Policy and partnership work is financed and managed under the UNICEF Global and Regional Programme, approved by the Executive Board as part of the UNICEF Strategic Plan, 2014-2017.

**Relevance for children**

57. UNICEF publishes global studies and analyses, such as *The State of the World's Children* report, which include data on all countries and track issues of global relevance. Similarly, UNICEF supports the *Report Card* series and the TransMONEE — Transition Monitoring of Children in Eastern Europe — initiative, to support monitoring of child rights in HICs in general or in specific regions. UNICEF also supports and participates in other global studies, such as the report of the independent expert for the United Nations study on violence against children (A/61/299), and provides these data to the Committee on the Rights of the Child, as requested in the Convention on the Rights of the Child. All of these activities are relevant to all countries, regardless of their income status or UNICEF programme presence, and they help to promote accountability and to share good practices and innovations for children.

**Financial sustainability**

58. Not surprisingly, of all the approaches reviewed in this analysis, this approach of limited engagement through the Global and Regional Programme has proved to be the least expensive yet the least likely to contribute to concrete results for children, country by country. The entire Global and Regional Programme for all countries absorbs less than 5 per cent of UNICEF programme expenditure, and almost the entire amount is for work with multi-country relevance, including work in global programme partnerships, data, research, multi-country public engagement and advocacy, and global and regional policy dialogue. Only a very small fraction of the 5 per cent of programme funding allocated to the Global and Regional Programme touches on these countries without any UNICEF presence.

**United Nations development system**

59. Global-level coordination of the United Nations development system is provided through the United Nations Development Group. The Group focuses most of its efforts on relevant global policy issues and programming arrangements, however, rather than engagement with HICs that do not have a United Nations presence. As is the case with UNICEF, some other United Nations agencies also cover HICs within their global reports (UNDP, the Joint United Nations Programme on HIV/AIDS (UNAIDS) and others), thus providing indirect monitoring and advocacy support. In some countries, notably the Russian Federation, UNDP and other agencies maintain liaison offices, although UNICEF currently does not have a presence in that country.

# VII. Upper-middle-income countries that may transition to high-income status

60. This is the largest and most diverse group of countries included in this review. Examples include Brazil, Bulgaria, Kazakhstan, Malaysia, Romania, Thailand and Turkey. Subsequent to Executive Board decision 2008/15, UNICEF has continued to cooperate with these countries through country programmes. Many of these countries are likely to become HICs between now and 2030.

**Relevance for children**

61. As noted in the introduction, by 2008, about 74 per cent of the world's extremely poor were living in MICs, and this group includes some countries with very large child populations.

62. In an increasingly interconnected world, it is also relevant to note that issues affecting children in any one country may have serious spillover effects in others, regardless of a country's income status. This has been evident with the recent increase in informal migration, including of children; the spread of health epidemics; the impact of climate change; the online risks for children; and trafficking in children — none of which are confined within national boundaries. High-income countries have more resources to address such issues while the Governments of UMICs have fewer resources to invest outside their domestic priorities.

63. As UNICEF has worked over several decades in all of these countries, its programme strategies have evolved. Initially, UNICEF had a significant focus on service delivery and, to a lesser extent, policy advocacy. During a country's transition from upper-middle-income to high-income status, UNICEF typically gives increasing prominence to policy advocacy and capacity-building, while maintaining support to service delivery to respond to specific pockets of deprivation, to generate evidence and to demonstrate approaches that can be scaled up or replicated. In the case of India in particular, UNICEF programming in certain low-income, high-population states includes attention to undernutrition, open defecation, child marriage and preventable childhood diseases like polio. In all of the transitioning countries, UNICEF retains a significant role in monitoring child rights and in advocating for and supporting early childhood development, social protection and child protection. An increasing number of countries are moving from the MIC to UMIC classification, and from upper-middle-income to high-income status, and the lessons learned during these transitions and the good practices developed can be usefully transferred from one country to another.

64. Many countries that have achieved middle-income status in recent years have even become significant providers of support to less well-off countries, through South-South and horizontal cooperation and similar modalities, and have become contributors of RR to UNICEF.

**Financial sustainability**

65. The UNICEF resource allocation policy endorses allocation of the institutional and programme budget in UMICs, with most receiving an allocation of $850,000 in programme funds each year. These allocations, while not large in comparison to

locally available resources or to the overall UNICEF budget, provide crucial financing to support the work of UNICEF, including the leveraging of domestic resources for children.

66. Many of these countries also provide significant opportunities to fundraise for both domestic and international child rights issues. UNICEF currently has structured private sector fundraising programmes in 11 UMICs (Brazil, Bulgaria, Colombia, Ecuador, Malaysia, Mexico, Peru, Romania, Serbia, South Africa and Thailand) and 3 MICs (India, Indonesia and the Philippines). In 2015, these programmes raised $131.1 million, including $20.7 million in RR. Expenditure on private sector fundraising by UNICEF country offices in these UMICs and MICs was on average 11 per cent of private sector revenue.

67. The UNICEF office in Argentina, which is now a HIC, developed and successfully grew its fundraising capacity for many years while Argentina was still an UMIC. Thailand is also accelerating its in-country fundraising activities and is already a net contributor to UNICEF global resources. In Brazil, long-standing UNICEF fundraising activities are well-positioned to take advantage of the large market size to make the country a major contributor to UNICEF global resources.

68. Some UMICs that are heavily dependent on the export of minerals or petroleum, such as Gabon or Kazakhstan, have the potential to increase their public sector contributions to UNICEF. However, the small size of the middle class in these countries makes it unlikely that they will be sources of significant fundraising from the public in the near future. Moreover, public sector contributions from these countries are particularly vulnerable to rapid changes in the prices of their main exports.

**United Nations development system**

69. The United Nations development system most often uses standard coordination approaches in these countries, with a Resident Coordinator convening a United Nations country team, with programming arrangements outlined in a United Nations Development Assistance Framework (UNDAF), and with the Standard Operating Procedures for Countries Adopting the "Delivering as one" Approach guiding opportunities to enhance joint contributions to results. In Romania, UNICEF has taken on the role of Resident Coordinator and there has not been an UNDAF since 2010. In Bulgaria, UNICEF has assumed the Designated Official and Security Focal Point functions in the absence of a Resident Coordinator and an UNDAF.

**UNICEF organizational approaches**

70. All the countries in this category continue to have country offices and CPDs.

71. Turkey is a special case, as it is the only country in the world with both a UNICEF country office as well as a National Committee. UNICEF began work in Turkey in 1951 and, unusually, also established a National Committee in 1956. The National Committee carries out fundraising and general public advocacy, while the country office engages with the Government of Turkey in monitoring the situation of children, and in programmatic areas such as child survival, early childhood development, education and child protection. UNICEF work in Turkey focuses on education and child protection, as well as strengthening systems for social transfers and immunization, both in host communities and among refugee populations.

In-country fundraising activities by the National Committee generate funds that are channelled to UNICEF headquarters through the regular National Committee mechanisms, and then funds are allocated to the country programme through standard UNICEF mechanisms. While the local fundraising from private individuals is helpful, it does not yet approach the cost of the UNICEF presence and country programme. At this time, such a "double presence" approach does not seem to provide a model for other countries.

72. In Bulgaria, another UMIC, the National Committee that was established lasted only a few years. After that National Committee closed, UNICEF explored the option of operating through a Social Development Unit in the UNDP Bulgaria Country Office (together with UNAIDS and UNFPA), after which the organization reverted to a country office/country programme modality.

## VIII. Conclusions

73. A number of conclusions can be drawn from the review of UNICEF experience in UMICs and HICs described above:

(a) There has been widespread demand for and appreciation of UNICEF engagement and presence. All UMIC Governments continue to welcome a UNICEF programme presence, as do most countries that have recently transitioned from upper-middle-income to high-income status. Similarly, National Committees appear to be warmly welcomed by their counterpart Governments;

(b) Consistent with the universal nature of the Convention on the Rights of the Child and the Sustainable Development Goals, UNICEF is contributing to important results for children in a wide variety of contexts in new HICs and UMICs. National Committees for UNICEF, in partnership with other parts of UNICEF, are contributing to results in long-standing HICs and they should continue to invest in child rights education, policy advocacy and social mobilization for child rights;

(c) In all UMICs and HICs, there is a positive synergy between UNICEF support to results for children and its ability to fundraise. This is clearly demonstrated in countries like Argentina, where there is large-scale programming alongside large-scale fundraising. It is also true for the National Committees, where advocacy on domestic and international child rights issues contributes to fundraising, and vice versa. The relatively modest amounts of funding that UNICEF invests in programme and policy work in HICs, through its offices or through National Committees, is dramatically offset by the contribution such investments make not just to results for children domestically, but also to raise funds to use in countries with lower income per capita;

(d) The development of fundraising from private and public sources in UMICs and in new HICs is proving to be a successful approach to diversifying funding for UNICEF and to increasing contributions to flexible resources. India is demonstrating that fundraising can be launched successfully even when a country has not yet attained upper-middle-income status;

(e) UNICEF should continue to be flexible and innovative in developing different programming and engagement approaches for differing contexts. Gross national income per capita is a useful and important indicator when considering resource allocation and institutional arrangements, but it should be considered

alongside other human development indicators and the circumstances of each country.

74. The Sustainable Development Goals and the Convention on the Rights of the Child challenge UNICEF to effectively deliver results for the most disadvantaged children, wherever they might live. As UNICEF moves forward in preparing its next strategic plan, 2018-2021, it is important to respond to this challenge while maintaining a strong commitment to prioritizing the least developed countries and countries experiencing humanitarian emergencies. A universal approach to child rights is proving to provide other benefits as well, notably including synergies between programme work and fundraising in countries with higher GNI per capita, as well as horizontal cooperation and the sharing of lessons, evidence and innovations.

## IX. Draft decision

*The Executive Board*:

1. *Welcomes* the review prepared by UNICEF, noting the persistence of inequities and rights violations affecting children in every country of the world and therefore the relevance of the work of UNICEF;

2. *Reiterates* the importance of focusing a majority of UNICEF support on the least developed countries and notes that UNICEF programming in low-income countries, lower-middle-income countries and upper-middle-income countries should be agreed without specifically requiring fundraising from these countries, although such fundraising should be explored and encouraged;

3. *Welcomes* the increasing contribution of UNICEF to results for disadvantaged children in high-income countries, both directly and through partnerships with National Committees, taking note of the relevance of such work to the Sustainable Development Goals and the Convention on the Rights of the Child;

4. *Notes* that UNICEF programmatic engagement in high-income countries can contribute to increased and diversified funding for the entire organization;

5. *Notes* the heterogeneity of high-income countries and invites UNICEF to continue to use a variety of operational approaches to contribute to results, depending on the environment in any given high-income country, including, inter alia, partnerships with other United Nations agencies, National Committees, continuation of UNICEF country offices and country programmes and multi-country programmes, working through the Global and Regional Programme, and other approaches as may be developed and tested, subject to approval by the Executive Board;

6. *Reiterates* its invitation to UNICEF and relevant high-income countries to develop country programme documents or multi-country programme documents for consideration and decision by the Executive Board, when a continued country programme presence is jointly identified by the Government and UNICEF as the most appropriate engagement approach, taking into account guiding principles including: (i) the importance of responding to the country context; and (ii) the importance of ensuring that programme investments in high-income countries lead to net increases in programme resources available for the least developed countries,

low-income countries, lower-middle-income countries and upper-middle-income countries;

7. *Encourages* UNICEF to consider multiple dimensions of child well-being as the organization prepares its assessment of the resource allocation system for consideration by the Executive Board in February 2017, taking into account the Sustainable Development Goal target to develop measurements of progress on sustainable development that complement the gross domestic product, and noting that the current UNICEF policy for allocation of regular resources for programmes considers the child population, the under-five mortality rate as well as the gross national income per capita.